

SYNERGIES Committee Meeting #1114
Friday, October 21, 2011, 1:00 PM
Winchester Hall, Third Floor Meeting Room

AGENDA

Introduction

Approval of Minutes

Parks and Recreation

Finance/Accounting/Payroll

Combining Options Update

Announce Next Meeting

Adjourn

SYNERGIES COMMITTEE MEETING #1114 MINUTES

Friday, October 21, 2011, 1:00PM

Winchester Hall, Third Floor Meeting Room

Frederick County Commissioner Vice President Paul Smith called to order Synergies Committee Meeting #1114 at 1:00 PM in the Third Floor Meeting Room of Winchester Hall, 12 East Church St., Frederick, Md. Synergies Committee members Alderman Karen Young and Board of Education Member Jimmy Reeder were present. Also attending were: County Purchasing Director Hal Good; County Director of Finance Lori Depies; County Deputy Director of Finance Richard Duthoy; County Accounting Team Leader Erin White; County Director of Parks and Recreation Paul Dial; County Parks Foreman Jason Jenkins; County Parks Recreation Superintendent Jeremy Kortright; Frederick City Deputy Director of Parks and Recreation Roelkey Myers; Frederick City Director of Finance Gerry Kolbfleisch; Frederick City Accounting Manager Patti Slimmer; Frederick Community College Vice President of Fiscal and Auxiliary Services Deborah Judd; Frederick County Public Schools Purchasing Director Steve Starmer; Frederick County Public Schools Facilities Administrator Beth Pasierb; Commissioner Smith's Executive Assistant Belinda Teague-Levy; and Journalism student Abigail Reese.

Commissioner Smith opened the meeting by reiterating that the mission of the Synergies Committee was to bring together staff from the County, the BOE, FCC, and municipal governments to review their tasks for synergistic relationships that create or have the potential to create cost and service efficiencies. Based on the departmental reviews summarized in the Synergies Committee Interim Report, Commissioner Smith presented the Synergies Committee's Recommendations on Combining of Inter-governmental Departments (Attachment A) at the September 20, 2011, joint BOE/BOCC meeting. Upon consensus, the BOE and BOCC chose to have staff meet and report back within 8 weeks to recommend a process for merging County and FCPS warehousing.

PARKS AND RECREATION

County Parks and Recreation Director Paul Dial and Frederick City Parks Deputy Director Roelkey Myers discussed with the Committee the following synergies (copy made a part of these minutes as Attachment B) currently being achieved: park/school agreements; park/school athletic fields scheduling; County scheduling of all athletic fields for elementary and middle schools in the City of Frederick; delegation of recreational programming between agencies; inter-agency meeting on occasion to share programming concepts and ideas.

Beth Pasierb informed the Committee that if developers donated land for school sites, the possibility of consolidating school sites would be enhanced.

Each year FCPS receives approximately \$33,000 from the City of Frederick for park/school co-energy reimbursement.

Commissioner Smith asked Director Dial and City Deputy Director Myers to draft and bring back to the Committee a request for sharing mulching and tub grinding between the City of Frederick and the County. On the Committee's behalf, Commissioner Smith also requested a list of all parks and recreation related synergies past, present and future with actual savings or projected savings, if possible, by December 2011.**

FINANCE/ACCOUNTING

County Finance Director Lori Depies informed the Synergies Committee members that the Finance Directors of all four agencies (FCG, FCPS, COF and FCC) had met and Director Depies presented a Finance Synergies Chart, hereby made a part of these minutes as Attachment D, with finance tasks and performance frequencies. Frederick County Government, Frederick Community College, and Frederick County Public Schools use PeopleSoft, but due to differing reporting requirements and varying degrees of software utilization, synergies in financial operations have been minimal. The City of Frederick uses SunGard HTE System software for their financials.

Even though 3 of the 4 agencies use PeopleSoft, each has a different version and upgrade on different schedules. For instance, FCC upgrades more frequently due to staying current to handle financial aid. Consulting time may be saved if agencies' software were in synchronization and an idea time for the agencies to consider that might be if the Government Finance Office of Accounting comes in to assess the county system.

Frederick County Public Schools, Frederick Community College and the County will be using the same external auditor and plan to execute a joint RFP for banking services.

Recommendation of the Synergies Committee On the Combining of Inter-governmental Departments September 20, 2011

The Synergies Committee¹ has been asked to make a recommendation of whether any departments of the four participating governmental entities might be combined to save money and/or to increase efficiencies. The Synergies Committee will now do this.

I. Preliminary Comments

Involvement of Department Heads. Before giving our recommendations, the Synergies Committee wishes to point out that in our opinion, in each case where a recommendation will be made to explore the combining of operations, the specific optimum method, form and extent of such combination will vary from area to area. In addition, the Synergies Committee recommends that the task of formulating a specific combination recommendation should be done by the particular departments involved. The Synergies Committee is not in a position to make a specific recommendation of the nature, extent, form and organization of such specific combinations. Such a recommendation should initially be made by one or more of the participating departments, after which the heads of each governmental entity would have to ultimately determine whether to implement the recommendation.

Public-private partnerships. The Synergies Committee recommends that the exploratory analysis that we are recommending for the combining of services also include exploring the use of public-private partnerships as service delivery options.

Recommended Procedure. The Synergies Committee recommends that the concerned governmental entities use the following procedure to initiate a meaningful discussion with respect to the combining of departmental work: **The governmental head should direct certain staff to work with the staff of other governmental entities to prepare a written recommendation for consideration by all affected entities.** For example, the BOCC may direct the Director of Management Services to prepare such a recommendation for Warehousing. At the same time, the Mayor of Frederick, the Superintendent of Schools and the FCC Interim President may also direct individuals in their organizations to either prepare their independent recommendations with respect to Warehousing, or the four individuals may work together on one or more recommendations, as they deem appropriate. After the department heads settle on a recommendation, the heads of each participating government entity would have to agree to participate before the recommendation can be implemented.

¹ The Synergies Committee is an ad hoc committee formed in early 2011, consisting of members of Frederick County Government, the Board of Education, the City of Frederick and Frederick Community College. (Representatives of all county municipalities have also been invited to participate.) The purpose of the committee is to identify and explore ways to increase savings and efficiencies between the four governmental agencies by working together cooperatively. The committee participants include C. Paul Smith (BOCC), Kirby Delauther (BOCC), Jimmy Reader (BOE), Dr. April Miller (BOE), Karen Young (Alderman) and Douglas Browning (Interim President). Numerous staff members of each government have participated. In August, this Committee issued its Interim Report, and a Final Report will be issued at the end of the year.

Voluntary Effort—the Right to Opt Out. The Synergies Committee recognizes that of the fifteen (15) service areas for which we recommend exploratory discussions for combining, each government entity has the option to opt out of any or all of such discussions. Thus, the combining discussions will go forward only as long as the different entities participate in the discussions/analysis/negotiations. Also, the Synergies Committee recognizes that the rate at which and the order in which the entities conduct the study, analysis, discussion and debate for the combining of the service areas depends upon the mutually agreed timetables and commitment of each separate entity. Therefore, while it is possible, and it may be desirable, to have fifteen studies going on simultaneously, any of the participating entities can delay or terminate any or all of the exploratory studies. The reality is that the success of these combining efforts will require each government entity to direct its own staff to undertake the process and participate in discussions with the other entities.

Exploratory analysis does not mean that combining will be recommended. By recommending exploratory discussions for combining, the Synergies Committee is not in a position to say whether, after thorough analysis, that the combining of particular departments should ultimately be recommended. The Committee's recommendation for action is based upon our collective judgment, that from our point of view it appears that some combining of efforts would yield monetary savings and/or increased efficiencies.

II. Recommendations for Possible Combining of Services

The departments/service areas which we recommend to be analyzed for combining and/or the use of public-private partnerships as service delivery methods are as follows²:

1. Information Technology
2. Fleet Management
3. Warehousing
4. Risk Management
5. Building Maintenance
6. Purchasing/Procurement
7. Economic Development*
8. Water & Sewer
9. Law Enforcement
10. Human Resources
11. Finance
12. Legal*
13. Public Works/Roads/Engineering
14. Community Development/Planning/Permitting/Inspection
15. Parks & Recreation

² There is no priority intended in this listing. The Synergies Committee has looked at 26 different areas or departments that provide different services. We feel that 15 of these warrant review for possible types of combining of inter-governmental efforts.

* There was one dissenting vote on this recommendation.

Frederick County Public Schools/Frederick County Parks and Recreation

Synergy Components

Synergy components that are currently being achieved:

1. Park/School Agreement (7 County sites and 2 City sites and 1 under construction)
2. Frederick County Parks and Recreation (FCPR) scheduling athletic fields at all Park/Schools
3. Coordination of Park/School design
4. Shared use of athletic equipment at Park/Schools
5. FCPR priority status for use of other Frederick County Public Schools (FCPS) facilities
6. Coordination of easement for development of Ballenger Creek Trail
7. Parking Agreement at Middletown High School
8. FCPS use of park facilities for busing exercises
9. FCPS use of specific parks for field days
10. FCPS field trips to two nature centers and Rose Hill Manor
11. Student projects at various recreational facilities
12. Snow removal by FCPR at Park/Schools when required
13. FCPR participated in Rose Hill Manor Master Plan

Areas of potential future synergies between agencies:

1. Sharing of high cost to purchase equipment such as verti-quake.
2. Jointly purchase substantial pieces of equipment such as chipper or lift trucks
3. Piggyback on bidding to purchase in bulk such as: playground mulch, stone, sports equipment, pesticide, fertilizer, paving, ice melt etc
4. Shared use of staff Arborist
5. Student Internships

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Frederick City Parks and Recreation/Frederick County Parks and Recreation

Synergy Components

Synergy components that are currently being achieved:

1. Park/School Agreement (7 County sites and 2 City sites and 1 under construction)
2. Park/ School Athletic Field Scheduling at Park/Schools
3. Scheduling Athletic Fields at all City Elementary and Middle Schools in City
4. Delegation of recreational programming between agencies
5. Agencies have met occasionally over the years to share programming concepts and Ideas

Areas of potential future synergies between agencies:

1. Sharing of high cost to purchase equipment such as chipper for tree debris (could provide free wood chips to both agencies)
2. Sharing of special event equipment such as: tents, tables, chairs, trash cans, stage, PA system, etc.
3. Piggyback on bidding to purchase in bulk such as: playground mulch, infield mix, Turface, stone, etc
4. Shared Storage: airport hanger storage
5. Keys game tickets
6. Share fill area at Riverside Park in the City

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Potential Parks and Recreation Synergy Items

November 29, 2011

Short Term (within 6 months)

Item	City	County	FCPS	Potential Savings \$
Sharing Special Event Equipment: Tents, Tables, Chairs, Etc.	X	X		\$18,500
Piggyback Purchasing of items such as: Stone, Playground Mulch, Sports Equipment, Fertilizer, Ice Melt, Etc.		X	X	Approximate 10% Savings
Shared Storage	X	X		\$12,000 Per Year
Frederick Keys Game Tickets	X	X		\$5.00 Per Child
Share fill area at Riverside Park		X	X	\$3,000
Student Internships	X	X	X	\$1,620 Per Intern, Per Semester

Mid Term (6 months – 3 years)

Item	City	County	FCPS	Potential Savings \$
Sharing Equipment such as: Tub Grinder, Lift Truck, Scissor Lifts, Chipper, Etc.	X	X	X	\$300,000
Piggyback Purchasing of items such as: Playground Mulch, Infield Mix, Stone, Etc.	X	X		Approximate 10% Savings
Joint hiring of certain staff with specific credentials such as: Arborists or Horticulturist		X	X	Arborist \$59,000 Per Year Horticulturist \$42,000 Per Year

Long Term (Beyond 3 years)

Item	City	County	FCPS	Potential Savings \$
Future Park/Schools (2)	X		X	\$2.8 Million

Current Parks and Recreation Synergy Items

Item	City	County	FCPS	Approximate Savings
Park/Schools (10)	X	X	X	\$14 Million
Park/School HVAC (10)	X	X	X	\$1 Million Per Year
Field Scheduling	X	X	X	\$3,100 Per Year
Shared Used of Athletic Equipment at Park/Schools (10)	X	X	X	\$40,000
Student Volunteer Projects		X	X	\$3,000 Per Year

FINANCES ERGIES

	Frederick County	FCPS	FCC	Frederick City
Payroll				
Frequency	Bi-weekly	Twice per month	Twice per month	Bi-weekly
Staffing	1.5	5	1.5	1.5
System	Peoplesoft	Peoplesoft	Peoplesoft	SunGard HTE System
W-2's Issued	3,401	8,357	1,572	816
Multiple Pay Groups	Yes	Yes	Yes	Yes
No. of Employees Paid	2,701	6,800	1,077	650
Bi-Weekly Gross Wages	\$4,903,729	\$14.5 Million	\$1.3 Million (Semi-Monthly)	\$1.2 Million
ACH Transactions Yearly	65,582	140,850	18,000	17,000
Checks Cut per Year	4,646	10,637	1,200	3,700
ACH Transactions per Month	5,465	11,738	1,500	1,416
Checks Cut per Month	387	886	100	308
Accounts Payable				
Frequency	Weekly	Weekly	Twice per week	Weekly
Staffing	4	5	2	1.5
System	Peoplesoft	Peoplesoft	Peoplesoft	SunGard HTE System
No. of Active Vendors	22,427	3,736	2,600	14,300
No. of Vendors Paid in FY11	5,958	2,995	8414 vouchers processed	1,900
Amount Paid in FY11	\$669.2 Million	\$509.2 Million	\$14 Million	\$96 Million
No. of Checks Last Year	18,808	16,420	6,600	9,000
No. of 1099s Issued	1,042	262	97	159
ACH Transactions per Month	229	147	100	20 Wire Payments don't do ACH
Checks Cut per Month	1,567	1,368	550	750
Budget				
Staffing	5	4	1	1
Operating Budget	\$449 Million (General Fund only)	\$506 Million	\$46 Million	\$111 Million
Accounts Receivable				
Staffing	1.5	1.5	6.5	4
System	Munis, UBS, Library POS, Insight, Point Click Care, Weighmaster, Peachtree, TeleSoft, Faster, CLASS, Hansen	Peoplesoft	Peoplesoft	SunGard HTE System, Paragon, Innoprise, Complus Data Innovations, Pro Venue, Integrated Business Systems, and Peak Software
Transactions per Year	320,000 +	3,069	36,000	90,000
Amount Collected Annually	~\$590 million	\$3.8 Million	\$30 Million	\$100 Million
1098T's Processed	n/a	n/a	15,000 per year	n/a

FINANCIAL SYNERGIES

	Frederick County	FCPS	FCC	Frederick City
	Misc billing (rents, grants, retiree health, reimbursements) water/sewer, library fees, health services, nursing home, landfill, assisted living, telecommunications, fleet services, parks and recreation, permitting	Use of facilities, tuition, field trips, and outside organization purchases	Contract training, third party tuition, tuition children's center families, catering, and facility rental	Water/sewer, personal property taxes, property linked charges, accident reimbursement, retiree health, airport hangar & leases, grants, building code and license receipts, parking, Weinberg, golf, recreation, police and loans
Types of Transactions				
Financial Reporting				
System	Peoplesoft	Peoplesoft	Peoplesoft	SunGard HTE System
Staffing	9	6	3	4
	Comprehensive Annual Financial Report, Single Audit (Schedule of Expenditures of Federal Awards, Quarterly BOCC, grant reporting)	CAFR, Single Audit, State AFR, Quarterly BOCC/BOE reporting, CIP reporting	Journal entries, Financial statement prep, balance sheet reconciliation, reconciling ancillary systems for bookstore, dining services and children's center, asset management, financial grant reporting, cash management needs, and annual audit.	Grants, bonds, CIP management, and debt
Types of financial reporting				
No. of funds	34	5	5	26